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VIA ECFS

EX PARTE

July 15, 2008

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: *Petitions of Qwest Corporation for Forbearance Pursuant to 47 U.S.C. § 160(c) in the Denver, Minneapolis-St. Paul, Phoenix, and Seattle Metropolitan Statistical Areas, WC Docket No. 07-97*

Dear Ms. Dortch:

Integra Telecom, Inc. (“Integra”), through its undersigned attorneys, hereby supplements the record in the above-captioned proceeding with the attached information, prepared by Integra personnel, regarding the impact of a grant of Qwest’s forbearance petition in the Phoenix MSA on wholesale rates in that market.

The attached chart entitled “Estimated Impact of Forbearance on Wholesale Rates in the Phoenix MSA” shows the estimated increases in recurring (monthly) rates and non-recurring rates for 2-wire loops, DS1 loops, and DS1 enhanced extended links (“EELs”) post-forbearance. This analysis is based on several calculations and assumptions. *First*, the current UNE rates listed in the chart are a weighted average of the UNE rates in each of the Phoenix MSA wire centers for which Qwest seeks forbearance. Integra used a weighted average based on Qwest’s 2006 business access line counts, rather than a simple average, because it more accurately reflects the UNE rates paid by competitive local exchange carriers in the wire centers containing the most businesses. *Second*, in deriving all estimated post-forbearance DS1 loop and DS1 EEL rates provided in the chart, Integra again used a weighted average, based on Qwest’s 2006 business access line counts, of the corresponding Qwest special access rates in each of the relevant Phoenix wire centers. These special access rates vary by wire center depending upon the special access pricing zone in which the wire center is located and whether or not Qwest has received pricing flexibility in the wire center. *Third*, the estimated post-forbearance DS1 loop and DS1 EEL recurring rates include the standard 22 percent discount offered under Qwest’s Regional Commitment Plan (“RCP”). *Fourth*, the estimated post-forbearance 2-wire loop

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recurring and non-recurring rates are the same as the corresponding post-forbearance UNE rates in the Omaha MSA. Integra used the rates in Omaha in its analysis because Qwest does not currently offer 2-wire loops as special access and the Omaha prices are the only prices available for a Qwest wholesale offering of 2-wire facilities in a market in which it has been granted forbearance from its obligations to unbundle such facilities. Finally, all rate elements include an interconnection tie pair.

Taking these factors into account, the attached graph entitled “Comparison of UNE Rates and Estimated Post-Forbearance Rates in the Phoenix MSA” shows that Qwest’s DS1 non-recurring rate would increase from the current UNE rate of \$87.93 to Qwest’s special access rate of \$625.68, *an increase of approximately 612 percent*. Likewise, Qwest’s non-recurring rate for DS1 EELs would *increase 26-fold, or by nearly 3672 percent*, from \$25.68 to \$968.52. If forbearance is granted, Qwest’s DS1 recurring rate would *more than double* from \$68.70 to \$142.40, and its recurring rate for DS1 EELs would *almost triple* from \$109.43 to \$305.02. As Integra indicated in its July 3, 2008 *ex parte* letter in this proceeding,¹ such increases by Qwest are consistent with the behavior of a monopolist. In all events, because the vast majority of purchasers of special access are other carriers, including Integra, the graph demonstrates that there is insufficient competition in the wholesale market for DS1 loops and transport needed to serve business customers. In fact, as the Commission recognized in the *TRRO*,² one of the few constraints on special access pricing is the availability of UNEs.

Respectfully submitted,

/s/ Thomas Jones

Thomas Jones

Nirali Patel

Attorneys for Integra Telecom, Inc.

Attachment

cc (via e-mail): Dana Shaffer
 Julie Veach
 Marcus Maher
 Al Lewis
 Deena Shetler
 Jeremy Miller
 Tim Stelzig
 Denise Coca

¹ See Letter & Attachments A-D from Thomas Jones, Counsel for Integra Telecom, Inc., to Marlene H. Dortch, Secretary, FCC, WC Dkt. No. 07-97 (filed July 3, 2008).

² See *Unbundled Access to Network Elements; Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, Order on Remand, 20 FCC Rcd. 2533, ¶ 65 (2005) (“*TRRO*”).